



THE SECRETARY OF THE INTERIOR
WASHINGTON

DEC 9 1999

Honorable Gray Davis
Governor of California
Sacramento, CA 95814

Dear Governor Davis:

Thank you for your November 6, 1999 letter regarding implementation of Section 3406(b)(2) of the Central Valley Project Improvement Act (CVPIA). I share your concern, and I remain committed to working together to reduce water supply impacts.

Since we met last August, Interior agencies have been working closely with state and other federal agencies to produce a Water Year 2000 Operations plan that includes (b)(2) implementation. Working together, we have made real progress. In recent weeks CALFED has approved a comprehensive package of water supply projects and actions for Water Year 2000, including: a request for state permits for a joint point of diversion between the state and federal projects; \$10 million for water acquisition; and, \$2.5 million for water conservation and recycling pilot projects.

As you are aware, our staffs have been engaged in extensive daily discussions this week regarding a further delay in the two week Delta pumping reduction called for by the current (b)(2) plan. Last Tuesday, in response to the concerns expressed by members of your staff, I postponed the onset of pumping reductions until Friday, so that I could personally review the situation in every detail and personally report my conclusions to you, which I would now like to do.

As you are aware, the original (b)(2) plan proposed by the Department included a great deal of flexibility in the calculation, timing and implementation of the (b)(2) mandate. However, the agricultural contractors and the environmental community chose to contest that plan in the litigation before Judge Wanger. In the Spring, Judge Wanger handed down a decision requiring us to adopt a more rigid accounting of "no more and no less" than 800,000 acre-feet of CVP yield each year. Interior's October 5 final decision on (b)(2), adopted after consultation with the state and public comment, represents our considered best effort to comply with the Judge's decision by setting out an accounting method and a menu of potential fishery actions.

The November 4, 1999 (b)(2) operations plan identified a series of high priority Delta actions focused on protecting spring run chinook salmon, listed as threatened or endangered under both federal and state Endangered Species Acts. Curtailing export pumping in December when these fish emigrate is an action to protect these fish. The biological trigger for implementing this action is the fish beginning their migration into the Delta. As a result of this occurrence, Reclamation would

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have reduced CVP export pumping on Tuesday, December 7. We have delayed the curtailment for three days to consult with the state and to assure that your office could be fully briefed by Interior officials. Based on the biological evidence presented to me and discussed at those meetings, I do not have the discretion to postpone the measure beyond Friday, December, 10.

I also want to emphasize that whether we curtail exports for two weeks now or later will have no effect on filling San Luis Reservoir or deliveries to CVP contractors in 2000. As a result of our combined staff work we have identified a specific action that should substantially offset the effects of this pumping reduction. Next week, the Bureau of Reclamation will submit to the State Water Resources Control Board (SWRCB) an application for approval of a "joint point of diversion" during February and March. The SWRCB's approval would allow the State Water Project to pump federal water south to San Luis Reservoir when capacity is available. Combining federal and state pumping capacities during this period could put an additional approximately 200,000 acre feet of water into San Luis Reservoir for CVP contractors to use next summer. Additionally, as part of (b)(2) implementation, Interior increases river flows for fish upstream of the Delta and more water reaches Delta pumps. Our (b)(2) policy provides for export of some of that water and the State Water Project's larger water pumps can take advantage of that extra water. Filling both the federal and state portions of the San Luis Reservoir is critically important and should be the primary goal of both federal and state water managers. In addition, we intend to continue to pursue discretionary measures to meet our mutual objectives.

I understand that as separate matter the State is now considering the necessity of pumping reductions driven by water quality concerns. The planned federal reduction will serve to benefit both fish and water quality. These issues demonstrate our mutual interdependence, the need to work together to fairly apportion the impact of these requirements, and the importance of implementing a long-term CALFED Program.

Sincerely,

